

SPECTRUM AUCTION PROGRAM ACCOUNT

This program provided direct loans for the purpose of purchasing spectrum licenses at the Federal Communications Commission's auctions. The licenses were purchased on an installment basis, which constitutes an extension of credit. The first year of activity for this program was 1996.

As required by the Federal Credit Reform Act of 1990, this account records, for this program, the subsidy costs associated with the direct loans obligated in 1992 and beyond (including modifications of direct loans or loan guarantees that resulted from obligations or commitments in any year), as well as administrative expenses of this program. The subsidy amounts are estimated on a present value basis and administrative expenses are estimated on a cash basis. The FCC no longer offers credit terms on purchases through spectrum auctions. Program activity relates to maintenance and close-out of existing loans.

Program and Financing (in millions of dollars)			
	2005 actual	2006 est.	2007 est.
Obligations by program activity:			
00.05 Reestimates of direct loan subsidy	754	76	0
00.06 Interest on reestimates of direct loan subsidy	520	61	0
00.09 Administrative Expenses	21	14	14
10.00 Total new obligations	1,295	151	14
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	3	5	0
22.00 New budget authority (gross)	1,297	146	14
23.90 Total budgetary resources available for obligation	1,300	151	14
23.95 Total new obligations	-1,295	-151	-14
24.40 Unobligated balance carried forward, end of year	5	0	0
New budget authority (gross), detail:			
Mandatory:			
60.00 Appropriation	1,260	146	14
69.00 Offsetting collections (cash)	37	0	0
70.00 Total new budget authority (gross)	1,297	146	14

Program and Financing (in millions of dollars)			
	2005 actual	2006 est.	2007 est.
Change in obligated balances:			
72.40 Obligated balance, start of year	16	11	0
73.10 Total new obligations	1,295	151	14
73.20 Total outlays (gross)	<u>-1,300</u>	<u>-162</u>	<u>-14</u>
74.40 Obligated balance, end of year	11	0	0
Outlays (gross), detail:			
86.97 Outlays from new mandatory authority	1,297	146	14
86.98 Outlays from mandatory balances	<u>3</u>	<u>16</u>	<u>0</u>
87.00 Total outlays (gross)	1,300	162	14
Offsets:			
Against budget authority and outlays:			
88.00 Offsetting collections (cash) from: Federal sources	37	0	0
Net budget authority and outlays:			
89.00 Budget authority	1,260	146	14
90.00 Outlays	1,263	162	14
Summary of Loan levels, Subsidy Budget Authority and Outlays by Program (in millions of dollars)			
	2005 actual	2006 est.	2007 est.
Direct loan upward reestimate subsidy budget authority			
1350 Spectrum auction	1,274	137	0
1359 Total upward reestimate budget authority	1,274	137	0
Direct loan downward reestimate subsidy budget authority			
1370 Spectrum auction	-37	-180	0
1379 Total downward reestimate budget authority	-37	-180	0
Administrative expense data:			
3510 Budget authority	21	14	14
3580 Outlays from balances	0	0	0
3590 Outlays from new authority	21	14	14

Object Classification (in millions of dollars)			
	2005 actual	2006 est.	2007 est.
11.11 Personnel compensation: Full-time permanent	2	2	2
12.52 Other services	4	7	7
12.53 Other purch of goods & services from Government acct	15	5	5
14.10 Grants, subsidies, and contributions	1,274	137	0
99.99 Total new obligations	1,295	151	14
Personnel Summary			
1001 Total compensable workyears: Full-time equivalent employ	15	14	14

SPECTRUM AUCTION DIRECT LOAN FINANCING ACCOUNT

As required by the Federal Credit Reform Act of 1990, this non-budgetary account records all cash flows to and from the Government resulting from direct loans obligated in 1992 and beyond (including modifications of direct loans that resulted from obligations in any year). The amounts in this account are a means of financing and are not included in the budget totals.

Program and Financing (in millions of dollars)			
	2005 actual	2006 CY	2007 BY
Operating Expenses:			
00.02 Interest Paid to Treasury	269	99	10
08.02 Downward subsidy reestimate	22	100	0
08.04 Interest on downward reestimate	15	80	0
08.91 Direct Program by Activities - Subtotal	37	180	0
10.00 Total new obligations	306	279	10
Budgetary resources available for obligation:			
21.40 Unobligated balance carried forward, start of year	60	68	0
22.00 New financing authority (gross)	314	211	10
23.90 Total budgetary resources available for obligation	374	279	10
23.95 Total new obligations	-306	-279	-10
24.40 Unobligated balance carried forward, end of year	68	0	0
New financing authority (gross), detail:			
Mandatory:			
67.10 Authority to borrow:	38	180	0
Offsetting collections			
69.00 Offsetting collections	2,981	1,345	189
69.47 Portion applied to repay debt	-2,705	-1,314	-179
69.90 Spending authority from offsetting collections (total mandatory)	276	31	10
70.00 Total new financing authority (gross)	314	211	10

Program and Financing (in millions of dollars)			
	2005 actual	2006 CY	2007 BY
Change in obligated balances:			
73.10 Total new obligations	306	279	10
73.20 Total financing disbursements (gross)	-307	-279	-10
87.00 Total financing disbursements (gross)	307	279	10
Offsets:			
Against gross financing authority and financing disbursements:			
Offsetting collections (cash) from:			
88.00 Program account: total revised subsidy	-1,274	-137	0
88.25 Interest on uninvested funds	-102	-54	0
Non-Federal sources:			
88.40 Interest received on loans	-9	-3	-1
88.40 Principal received on loans	-84	-39	-15
88.40 Recoveries	-1,512	-1,112	-173
88.40 Non-Federal sources	0	0	0
88.90 Total offsetting collections (cash)	-2,981	-1,345	-189
Net financing authority and financing disbursements:			
89.00 Financing authority	-2,667	-1,134	-179
90.00 Financing disbursements	-2,675	-1,066	-179

Status of Direct Loans (in millions of dollars)

	2005 actual	2006 CY	2007 BY
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	4,314	472	433
1231 Disbursements: Direct loan disbursements	0	0	0
1251 Repayments: Repayments and prepayments	-84	-39	-15
1263 Write-offs for default: Direct loans	-3,346	0	-418
1264 Other adjustments, net(adjust to princ recoveries)	-412	0	0
1290 Outstanding, end of year	472	433	0
6300 Net financing disbursements	0	0	0

Balance Sheet (in millions of dollars)

	2004 actual	2005 actual	2006 CY	2007 BY
ASSETS:				
1101 Federal assets: Fund balance with Treasury	60	67	0	0
Net value of assets related to post-1991 direct loan receivable:				
1401 Direct loans receivable, gross	4,314	472	0	0
1402 Interest receivable	2,210	36	0	0
1405 Allowance for subsidy cost (-)	-3,832	749	0	0
1499 Net present value of assets related to direct loans	2,692	1,257	0	0
1901 Other Federal assets: Other assets	1,233	136	0	0
1999 Total assets	3,985	1,460	0	0
LIABILITIES:				
Federal liabilities				
2103 Resources payable to Treasury	3,941	1,274	0	0
2105 Other (liability to prog. acct.)	36	181	0	0
2105 Other Debt	8	5	0	0
2999 Total liabilities	3,985	1,460	0	0
4999 Total liabilities and net position	3,985	1,460	0	0